

AUG 29 2008

BEFORE THE DEPARTMENT OF INSURANCE  
STATE OF NEBRASKA

FILED

STATE OF NEBRASKA	)	
DEPARTMENT OF INSURANCE,	)	
	)	
PETITIONER,	)	FINDINGS OF FACT,
	)	CONCLUSIONS OF LAW,
vs.	)	RECOMMENDED ORDER,
	)	AND ORDER
	)	
GROUP INSURANCE	)	
ADMINISTRATORS, INC.,	)	CAUSE NO. C-1715
	)	
RESPONDENT.	)	

This matter came on for hearing on the 25th day of August, 2008, before Janette Adair, a hearing officer duly appointed by the Director of the Nebraska Department of Insurance. The Department of Insurance ("Department") was represented by its attorney, Joel F. Green. Group Insurance Administrators, Inc. ("Respondent") was not present and was not represented by counsel. The proceedings were tape recorded by Tracy Gruhn, a licensed Notary Public. The Department presented evidence at the hearing and the matter was taken under advisement. The hearing officer hereby makes the following Findings of Fact, Conclusions of Law, and Recommended Order.

FINDINGS OF FACT

1. The Department is the agency of the State of Nebraska charged with licensing third party administrators.
2. Respondent holds a certificate of authority, issued by the Department, to engage in the business of insurance as a third party administrator in the State of Nebraska.

3. Respondent's registered business address with the Department is 700 E. Township Line Road, Havertown, PA 10983. (Ex. 1)

4. On or about July 22, 2008, the Petition and Notice of Hearing were served upon Respondent by mailing the same to its registered business address via certified mail. On or about August 22, 2008, the Petition and Notice of Hearing were returned to the Department by the United States Postal Services marked "Unclaimed." (Ex. 1)

5. Respondent failed to file an annual report on or before March 1, 2008 as required by Neb. Rev. Stat. § 44-5814(1).

6. Department Examiner Shari Sohl attempted to contact Respondent by phone regarding their failure to file the annual report. Respondent did not answer its phone, and Ms. Sohl was unable to leave a message because Respondent's voicemail was full.

7. Department Examiner Shari Sohl attempted to contact Respondent by mail within seven days after Respondent's failure to file the annual report due on March 1, 2008. Respondent did not respond to Ms. Sohl's correspondence.

#### CONCLUSIONS OF LAW

1. The Department has broad jurisdiction, control and discretion over the licensing of third party administrators engaged in the business of insurance in the State of Nebraska pursuant to Neb. Rev. Stat. §§ 44-101.01 and 44-5801 et seq.

2. The Department has personal jurisdiction over Respondent.

3. Respondent violated Neb. Rev. Stat. § 44-5814(1) by failing to file an annual report with the Department on or before March 1, 2008.

4. Respondent is subject to the forfeiture provision of Neb. Rev. Stat. § 44-5814(4)(b)(i) which provides that if a third-party administrator fails to comply with the

requirements of Neb. Rev. Stat. § 44-5814 such third-party administrator shall forfeit fifty dollars for each day thereafter such failure continues and the third-party administrator continues to transact any business of insurance.

5. Neb. Rev. Stat. § 44-5814(4)(b)(ii) provides that if a third-party administrator fails to comply with the requirements of Neb. Rev. Stat. § 44-5814 and any rules and regulations adopted and promulgated under this section and any orders issued under this section, in addition to the forfeiture required under Neb. Rev. Stat. § 44-5814(4)(b)(i), the director may suspend the certificate of authority of the third-party administrator until it has complied with the requirements of this section, any rules and regulations adopted and promulgated under this section, and any orders issued under this section.

#### RECOMMENDED ORDER

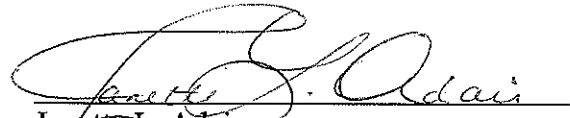
Based on the Findings of Fact and Conclusions of Law, it is recommended to the Director of Insurance that:

1. Respondent's certificate of authority be SUSPENDED immediately upon the date the Director of Insurance or her designee signs the certificate adopting this Order, and that such suspension continue until Respondent has complied with all requirements of Neb. Rev. Stat. § 44-5814 and has notified the Director of Insurance in writing of such compliance;
  2. Respondent FILE the annual report that was due on March 1, 2008 within 30 days of the date the Director of Insurance or her designee signs the certificate adopting this Order;
- AND

3. Respondent PAY the forfeiture due pursuant to Neb. Rev. Stat. § 44-5814(4)(b)(i) within 30 days of the date the Director of Insurance or her designee signs the certificate adopting this Order.

Dated this 28<sup>th</sup> day of August, 2008.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE


  
Janette L. Adair  
HEARING OFFICER

CERTIFICATE OF ADOPTION

I have reviewed the foregoing Findings of Fact, Conclusions of Law, and Recommended Order and hereby certify that the Recommended Order is adopted as the official and final Order of the Department in the matter of State of Nebraska Department of Insurance v. Group Insurance Administrators, Inc., Cause No. C-1715.

Dated this 29 day of August, 2008.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

  
ANN M. FROHMAN  
Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Findings of Fact, Conclusions of Law, Recommended Order, and Order was served upon the Respondent by mailing a copy to Group Insurance Administrators, Inc., 700 E. Township Line Road, Havertown, PA 10983, by certified mail, return receipt requested, on this 29 day of August, 2008.

Tracy A. Zuh